(c) The annual accounts of the Company were audited from year to year by its statutory auditors including for the period during which the accounts and the financial statements of the Company are stated to be falsified.

(d) The Ministry has ordered investigation under the Companies Act, 1956 by officers drawn from the SFIO into the affairs of the Company including the role of its statutory auditors. The Ministry has also asked the Institute of Chartered Accountants of India (ICAI) to look into the matter with regard to the financial reporting by the company, the role and manner of discharge of the statutory functions by its auditors, compliance with the accounting and auditing standards as well as the provisions of the Companies Act, 1956.

Monitoring of IT companies and share market

†157. SHRI PRABHAT JHA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government is formulating an action plan to monitor the working of IT companies and share market in view of the financial scam in a major IT company;

(b) if so, the details thereof;

(c) whether Government has received any proposal or recommendation to investigate the working of several IT companies; and

(d) if so, the details of such companies?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) No Sir.

(b) Does not arise.

(c) and (d) There is no proposal or recommendation to investigate the working of several IT companies.

Measures to prevent corporate frauds

158. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government has any action plan to prevent other corporate houses to not to go in the same way after the incident of Satyam;

(b) if so, the details thereof;

(c) whether the interests of share holders who has invested their hard earned money in Satyam are safe;

(d) whether all the employees working in Satyam are also safe; and

(e) if so, the details thereof

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) The incidents relating to Satyam Computer Services Ltd. are specific to that company and cannot be generalized. The Government maintains regulatory supervision over the corporate sector and takes

†Original notice of the question was received in Hindi

appropriate action under the provisions of the Companies Act, 1956 and other laws, as warranted, to deal with such incidents.

(c) to (e) The Government has already suspended the previous Board of Directors and appointed six new Directors on the Board of the Company with the due approval of Company Law Board given *vide* its order dated 9.1.2009. The new Directors appointed by the Government are persons of eminence in various fields such as Information Technology, Accounting, Finance, Business Administration, Law and Regulation etc. The new Board is taking all possible steps to continue the operations and the business of the Company and to safeguard the interests of its shareholders, employees and all other stakeholders. The Board has the necessary powers under the Companies Act, 1956 to take all steps as may be required for the welfare of the Company.

Plight of investors and employees of Satyam Computer Services

159. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that Indian and Foreign investors have lost around Rs. 23,000 crores in the value of their shares, and over 40,000 employees are facing an uncertain future, but this magnitude is being overlooked during ongoing investigations into the Satyam scam;

(b) if so, how the swindle worth more than Rs. 7,000 crores and the deceit went on for over seven years, escaping the vigilant eyes of Government Regulatory Authorities or well-known established auditors; and

(c) whether Government would ensure that in future "open and competitive capitalism" does not convert itself into "dark neither regions of crony capitalism"?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) No, Sir.

(b) and (c) While there exist a detailed regulatory framework in India that provides for disclosures of audited financial statements of a company that can be viewed by various stakeholders and regulators along with penalties for non-disclosures/ non-compliance, it is possible, in isolated cases for such disclosures to be made by the directors and officers of a company in a fraudulent manner. When any such information comes to light, the Indian regulatory system is fully capable of responding quickly and taking prompt effective action under the law as warranted in the interest of all stakeholders. Such action is being taken in the case of Satyam Computer Services Ltd. as well.

Detection of scam in satyam

160. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the date on which the recent scam of Satyam Computers has came into the knowledge and how;

(b) whether the World Bank debarred the Satyam Company in 2007 from carrying out work relating to IT sector for a period of five years;

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†Original notice of the question was received in Hindi